

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, revisions,)	
determinations, and/or approvals necessary for)	Case No. U-18260
ALPENA POWER COMPANY to fully comply with)	
Public Act 295 of 2008.)	
_____)	

At the September 28, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On June 30, 2017, Alpena Power Company (Alpena) filed an application, with supporting testimony and exhibits, requesting approval of its 2017 energy waste reduction plan (EWRP) and approval of its EWRP for 2018 and 2019, in accordance with 2008 PA 295, MCL 460.1001, *et seq.* (Act 295).

A prehearing conference was held on August 16, 2017 before Administrative Law Judge Lauren G. VanSteel. Alpena and the Commission Staff participated in the proceedings. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that it is reasonable, in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Attachment A, is approved.
- B. Alpena Power Company's energy waste reduction plan is approved.
- C. The energy waste reduction surcharges shown in the tariff sheets, attached as Exhibit B-1 to the settlement agreement, are approved.
- D. Thirty days before the implementation of energy waste reduction surcharges, Alpena Power Company shall file with the Commission tariff sheets substantially similar to that attached to the settlement agreement.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 426.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General – Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General – Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of September 28, 2017.

Kavita Kale, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, revisions,)	
determinations, and/or approvals necessary for)	Case No. U-18260
ALPENA POWER COMPANY to fully comply with)	
Public Act 295 of 2008 as amended by Public)	
Act 342 of 2016.)	
_____)	

SETTLEMENT AGREEMENT

Alpena Power Company ("Alpena") by and through its attorney, James D. Florip, of the law firm of Gillard, Bauer, Mazrum, Florip, Smigelski & Gulden, and the Michigan Public Service Commission Staff ("Staff") by and through its attorney, Assistant Attorney General Michael J. Orris, hereby present the following Settlement Agreement in resolution of the above matter:

RECITALS:

A. On June 30, 2017, Alpena filed an application with supporting testimony and exhibits for its 2017 Energy Waste Reduction Plan Review and its request for approval of Alpena's Energy Waste Reduction Plan in accordance with the Clean and Renewable Energy and Energy Waste Reduction 2008 PA 295, MCL 460.1001, as amended, by 2016 PA 342 ("the Act").

B. On July 14, 2017, the Commission issued its Notice of Hearing setting this matter

SETTLEMENT AGREEMENT
U-18260

for a prehearing Conference on August 16, 2017. Pursuant to the Commission's directive, Alpena mailed a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its service area, and published the substance of the notice in a daily newspaper of general circulation within its service area.

C. Assistant Attorney General Michael J. Orris and Alpena's attorney, James D. Florip, attended the August 16, 2017 prehearing conference conducted by Administrative Law Judge Lauren G. VanSteel who reviewed the status of the case and set this matter for a second prehearing conference. Thereafter, the parties reached a settlement and executed this written settlement agreement.

NOW, THEREFORE, Alpena and Staff agree as follows:

1. The parties agree that pursuant to this 2017 Energy Waste Reduction Plan Review, the review of Alpena's Energy Optimization Plan as approved in U-15804 ("Alpena's initial energy optimization plan"), and as revised in 2011 in U-16669, in 2013 in U-17350, and in 2015 in U-17770, and, as further revised herein, is reasonable and prudent for the years 2018 and 2019 and is in conformity with the Act.

2. Alpena has elected to meet its Energy Waste Reduction Plan ("EWRP") requirements under the Act, by electing to continue to utilize the Commission selected independent EWRP administrator ("the Administrator"), Efficiency United, by paying the alternative compliance payment, for the years 2018 and 2019.

3. The cost of Alpena's Energy Waste Reduction Plan is \$508,683 for 2018 and

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\$529,050 for 2019 as shown in Exhibit A-1, Schedule 1 and Schedule 3, respectively. Those amounts are the projected alternative compliance payments to the EWR administrator, Efficiency United for 2018 and 2019. The monthly payment schedule to the EWR administrator are as shown in Exhibit A-1, Schedule 2 for 2016 and Exhibit A-1, Schedule 4 for 2019. Alpena's calculations include a carrying charge calculated at Alpena's short term borrowing cost on any over or under recovery of Energy Waste Reduction funds. Alpena is aware that the 2019 payment to Efficiency United is subject to change when actual 2017 revenues are known.

4. Alpena will recover the costs associated with the implementations of its Energy Waste Reduction Plan by continuing to impose an Energy Waste Reduction surcharge. Exhibit B-1, Schedule 1 shows Alpena's proposed tariff sheet No. D-4.90 with an Energy Waste Reduction surcharge effective January 2018. Exhibit B-1, Schedule 2 shows Alpena's proposed tariff sheet No. D-4.90 with an Energy Waste Reduction surcharge effective January 2019.

5. Any under or over recovery of funds will be rolled into subsequent plan years.

6. Alpena will continue to file its annual energy waste reduction cost reconciliation proceedings as required by Section 74 of the Act, on those dates as mandated by the Commission.

7. Alpena will continue to accommodate self-directed energy waste reduction plans for eligible electric customers. Alpena currently has two such customers. In the future should any other customer be eligible for and elect to self-direct Alpena would notify the customer of their obligations under a self-directed energy waste reduction programs and accordingly, adjust

SETTLEMENT AGREEMENT
U-18260

Alpena's revenue requirements in subsequent applications. Additionally, Alpena will collect any low-income surcharge related to the Energy Waste Reduction and include funds collected from such a surcharge with the payments to the Administrator.

8. It is the opinion of the parties that this Settlement Agreement will promote the public interest; this Settlement Agreement is intended for final disposition of this proceeding; and the parties join in respectfully requesting the Commission to grant prompt approval of the Agreement.

9. This Settlement Agreement will become binding upon the parties only if the Commission accepts and approves the same without modification. If the Commission does not approve this Settlement Agreement without modifications, this Agreement shall be withdrawn and shall not constitute any part of the record in the proceeding or be used for any purpose whatsoever.

10. This Settlement Agreement has been made for the sole and express purpose of reaching a compromise that promotes administrative efficiency and is without prejudice to the rights of the parties to take new or different positions in other proceedings. All offers of settlement and discussions relating to this Agreement shall be considered privileged under MRE 408. If the Commission approves this Agreement without modification, the parties shall make no reference to or use of this Agreement or the order approving it as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceedings; provided, however, such references or use may be made to

SETTLEMENT AGREEMENT
U-18260

enforce the Agreement and Order.

11. All parties waive Section 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281.

Date: September 12, 2017

MICHIGAN PUBLIC SERVICE COMMISSION



By: _____
Michael J. Orris (P51232)
Its: Attorney

Dated: September 12, 2017

ALPENA POWER COMPANY

James D.
Florip

By: _____
James D. Florip (P26861)
Its: Attorney

 Digitally signed by James D. Florip
DN: cn=James D. Florip, o=Gillard,
Bauer, Mazrum, Florip, Smigelski &
Gulden, ou,
email=jdfloirip@gillardlaw.com, c=US
Date: 2017.09.12 11:50:22 -04'00'

SETTLEMENT AGREEMENT
U-18260

ALPENA POWER COMPANY
CASE NO. U-18260
WITNESS: GOODBURNE

EXHIBIT A-1

Case No.: U-18260
Exhibits: A-1
Witness: Goodburne

Alpena Power Company
Energy Optimization Forecast - 2018 & 2019
Index to Exhibits

Exhibit Reference	Description
A-1, Schedule 1	2018 Determination of Revenue Recovery by Classification
A-1, Schedule 2	Energy Optimization - 2018 Projected Schedule of Payments and Collections
A-1, Schedule 3	2019 Determination of Revenue Recovery by Classification
A-1, Schedule 4	Energy Optimization - 2019 Projected Schedule of Payments and Collections
A-1, Schedule 5	Energy Optimization - 2018 & 2019 Projected Residential Volumes (kWH)

Case No.: U-18260
Exhibit: A-1
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Witness: Goodburne

ALPENA POWER COMPANY
2018 Determination of Revenue Recovery by Classification

(a)	(b)	(d)	(e)	(f)	(g)	(h)
Classification	Revenue 2016	Revenue Requirement 2018 @ 2.00%	Billing Determinate	Determinate Type	Volumetric Surcharge	Non-Volumetric Monthly Surcharge
Residential	\$ 11,667,255	\$ 233,345	88,560,000	kWh	\$ 0.00263	N/A
General Service	3,893,780	77,876	2,456	Meter	N/A	\$ 2.64
Standard Power	5,283,961	105,679	208	Meter	N/A	\$ 42.34
Large Power	2,743,457	54,869	15	Meter	N/A	\$ 304.83
Large Industrial-13.2 kV or lower	684,785	13,696	1	Meter	N/A	\$ 1,141.33
Large Industrial-above 13.2 kV	545,280	10,906	1	Meter	N/A	\$ 908.83
Large Industrial-above 13.2 kV (1)	2,485,994	2,486	1	Meter	N/A	\$ 207.17
Protective Lighting-100 watt	83,916	1,678	604	Light	N/A	\$ 0.23
Protective Lighting-250 watt	111,238	2,225	488	Light	N/A	\$ 0.38
Street & Highway	20,467	409	178	Light	N/A	\$ 0.19
Special Contract (1)	5,513,935	5,514	1	Meter	N/A	\$ 459.50
Totals	<u>\$ 33,034,067</u>	<u>\$ 508,683</u>				

(1) In November 2009, the two customers covered by these tariff classifications chose to "self-direct". The election became effective January 1, 2010. The forecast for the has been adjusted from that filed under U-15804 to reflected the change.

ALPENA POWER COMPANY
Energy Waste Reduction Plan - 2018 Projected Schedule of Payments and Collections

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Payments to EO Provider	\$ 42,390	\$ 42,390	\$ 42,390	\$ 42,390	\$ 42,390	\$ 42,390	\$ 42,390	\$ 42,390	\$ 42,390	\$ 42,391	\$ 42,391	\$ 42,391	\$ 508,683
Collections from Customers													
Residential	23,095	20,708	20,708	17,785	16,990	16,990	20,175	19,380	16,724	18,051	19,379	23,360	233,345
General Service	6,490	6,489	6,490	6,489	6,490	6,490	6,489	6,489	6,490	6,490	6,490	6,490	77,876
Standard Power	8,807	8,806	8,807	8,807	8,806	8,807	8,807	8,806	8,807	8,806	8,807	8,806	105,679
Large Power	4,573	4,572	4,573	4,572	4,572	4,573	4,572	4,572	4,573	4,572	4,572	4,573	54,869
Large Industrial-13.2 kV or lower	1,141	1,141	1,142	1,141	1,141	1,142	1,141	1,141	1,142	1,141	1,141	1,142	13,696
Large Industrial-above 13.2 kV	909	909	909	909	909	909	909	909	909	909	908	908	10,906
Large Industrial-above 13.2 kV	207	207	207	207	207	207	207	207	207	207	208	208	2,486
Protective Lighting-100 watt	140	140	140	140	140	140	140	140	140	139	140	139	1,678
Protective Lighting-250 watt	185	186	185	186	185	185	186	185	185	186	186	185	2,225
Street & Highway	34	34	34	34	34	34	34	34	34	34	34	35	409
Special Contract	460	460	459	459	460	459	459	460	459	460	459	460	5,514
Total Amount Collected	\$ 46,041	\$ 43,652	\$ 43,654	\$ 40,729	\$ 39,934	\$ 39,936	\$ 43,119	\$ 42,323	\$ 39,670	\$ 40,995	\$ 42,324	\$ 46,306	\$ 508,683
Monthly Over/(Under) Recovery	3,651	1,262	1,264	(1,661)	(2,456)	(2,454)	729	(67)	(2,720)	(1,396)	(67)	3,915	(0)
Beginning Balnce Over/(Under)	-	3,651	4,913	6,177	4,516	2,060	(394)	335	268	(2,452)	(3,848)	(3,915)	-
Ending Balance Over/(Under)	\$ 3,651	\$ 4,913	\$ 6,177	\$ 4,516	\$ 2,060	\$ (394)	\$ 335	\$ 268	\$ (2,452)	\$ (3,848)	\$ (3,915)	\$ (0)	\$ (0)
Average Balance Over/(Under)	1,825	4,282	5,545	5,346	3,288	833	(30)	301	(1,092)	(3,150)	(3,882)	(1,958)	
Annual Interest Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Monthly Interest	5	11	14	13	8	2	-	1	(3)	(8)	(10)	(5)	
Cumulative Interest	5	16	30	43	51	53	53	54	51	43	33	28	28
Over/(Under) Recovery & Interest	\$ 3,656	\$ 4,929	\$ 6,207	\$ 4,559	\$ 2,111	\$ (341)	\$ 388	\$ 322	\$ (2,401)	\$ (3,805)	\$ (3,882)	\$ 28	\$ 28

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ALPENA POWER COMPANY
2019 Determination of Revenue Recovery by Classification

(a) Classification	(b) Estimated Revenue 2017	(d) Estimated Revenue Requirement 2019 @ 2.00%	(e) Estimated Billing Determinate	(f) Determinate Type	(g) Estimated Volumetric Surcharge	(h) Estimated Non-Volumetric Monthly Surcharge
Residential	\$ 11,900,600	\$ 238,012	88,687,100	kWh	\$ 0.00268	N/A
General Service	4,103,800	82,076	2,456	Meter	N/A	\$ 2.78
Standard Power	5,448,200	108,964	208	Meter	N/A	\$ 43.66
Large Power	3,021,600	60,432	15	Meter	N/A	\$ 335.73
Large Industrial-13.2 kV or lower	768,700	15,374	1	Meter	N/A	\$ 1,281.17
Large Industrial-above 13.2 kV	536,400	10,728	1	Meter	N/A	\$ 894.00
Large Industrial-above 13.2 kV (1)	2,832,700	2,833	1	Meter	N/A	\$ 236.08
Protective Lighting-100 watt	87,935	1,759	604	Light	N/A	\$ 0.24
Protective Lighting-250 watt	116,565	2,331	488	Light	N/A	\$ 0.40
Street & Highway	21,300	426	178	Light	N/A	\$ 0.20
Special Contract (1)	6,114,500	6,115	1	Meter	N/A	\$ 509.58
Totals	<u>\$ 34,952,300</u>	<u>\$ 529,050</u>				

(1) In November 2009, the two customers covered by these tariff classifications chose to "self-direct". The election became effective January 1, 2010. The forecast for the has been adjusted from that filed under U-15804 to reflected the change.

ALPENA POWER COMPANY
Energy Waste Reduction Plan - 2019 Projected Schedule of Payments and Collections

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Payments to EO Provider	\$ 44,088	\$ 44,088	\$ 44,088	\$ 44,088	\$ 44,088	\$ 44,088	\$ 44,087	\$ 44,087	\$ 44,087	\$ 44,087	\$ 44,087	\$ 44,087	\$ 529,050
Collections from Customers													
Residential	23,617	19,591	19,591	18,477	17,713	16,907	20,934	20,396	17,712	18,786	20,134	24,154	238,012
General Service	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,839	6,839	6,839	6,839	82,076
Standard Power	9,081	9,081	9,081	9,081	9,080	9,080	9,080	9,080	9,080	9,080	9,080	9,080	108,964
Large Power	5,036	5,036	5,036	5,036	5,036	5,036	5,036	5,036	5,036	5,036	5,036	5,036	60,432
Large Industrial-13.2 kV or lower	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,282	1,282	15,374
Large Industrial-above 13.2 kV	894	894	894	894	894	894	894	894	894	894	894	894	10,728
Large Industrial-above 13.2 kV	236	236	236	236	236	236	236	236	236	236	236	237	2,833
Protective Lighting-100 watt	147	147	147	147	147	147	147	146	146	146	146	146	1,759
Protective Lighting-250 watt	194	194	194	194	194	194	194	194	194	195	195	195	2,331
Street & Highway	35	35	35	35	35	35	36	36	36	36	36	36	426
Special Contract	510	510	510	510	510	510	510	509	509	509	509	509	6,115
Total Amount Collected	\$ 47,871	\$ 43,845	\$ 43,845	\$ 42,731	\$ 41,966	\$ 41,160	\$ 45,188	\$ 44,648	\$ 41,963	\$ 43,038	\$ 44,387	\$ 48,408	\$ 529,050
Monthly Over/(Under) Recovery	3,783	(243)	(243)	(1,357)	(2,122)	(2,928)	1,101	561	(2,124)	(1,049)	300	4,321	-
Beginning Balnce Over/(Under)	-	3,783	3,540	3,297	1,940	(182)	(3,110)	(2,009)	(1,448)	(3,572)	(4,621)	(4,321)	-
Ending Balance Over/(Under)	\$ 3,783	\$ 3,540	\$ 3,297	\$ 1,940	\$ (182)	\$ (3,110)	\$ (2,009)	\$ (1,448)	\$ (3,572)	\$ (4,621)	\$ (4,321)	\$ -	\$ -
Average Balance Over/(Under)	1,892	3,662	3,419	2,619	879	(1,646)	(2,560)	(1,729)	(2,510)	(4,097)	(4,471)	(2,161)	
Annual Interest Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Monthly Interest	5	9	9	7	2	(4)	(6)	(4)	(6)	(10)	(11)	(5)	
Cumulative Interest	5	14	23	30	32	28	22	18	12	2	(9)	(14)	(14)
Over/(Under) Recovery & Interest	\$ 3,788	\$ 3,554	\$ 3,320	\$ 1,970	\$ (150)	\$ (3,082)	\$ (1,987)	\$ (1,430)	\$ (3,560)	\$ (4,619)	\$ (4,330)	\$ (14)	\$ (14)

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Energy Optimization Forecast - 2016 & 2017

ALPENA POWER COMPANY
Energy Optimization - 2016 Projected Residential Volumes (kWH)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Residential	8,765,000	7,859,000	7,859,000	6,750,000	6,448,000	6,448,000	7,657,000	7,355,000	6,347,000	6,851,000	7,355,000	8,866,000	88,560,000

Energy Optimization - 2017 Projected Residential Volumes (kWH)

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Residential	8,800,000	7,300,000	7,300,000	6,885,000	6,600,000	6,300,000	7,800,000	7,600,000	6,600,000	7,000,000	7,502,100	9,000,000	88,687,100

ALPENA POWER COMPANY
CASE NO. U-18260
WITNESS: GOODBURNE

EXHIBIT B-1, SCHEDULE 1

Proposed Tariff Sheet 2018

SURCHARGES
(continued from Sheet No. D-4.01)

<u>Rate Schedule</u>	<u>Renewable Energy Surcharge Effective July 2015 Bill Month</u>	<u>Energy <i>Waste Reduction</i> Surcharge Effective <i>January 2018</i> Bill Month</u>
Residential	\$0.00/meter/month	<i>\$0.00263</i> 0.00274/kWh
General Service	\$0.00/meter/month	<i>\$2.64</i> 2.70/meter/month
Standard Power	\$0.00/meter/month	<i>\$42.34</i> 42.53/meter/month
Large Power (less than 13,200 volts)	\$0.00/meter/month	<i>\$304.83</i> 338.17/meter/month
Large Power (13,200 volts or higher)	\$0.00/meter/month	<i>\$304.83</i> 338.17/meter/month
Large Industrial (13,200 volts or lower)	\$0.00/meter/month	<i>\$1,141.33</i> 1,192.67/meter/month
Large Industrial (higher than 13,200 volts)	\$0.00/meter/month	<i>\$908.83</i> 765.00/meter/month
Large Industrial (>13,200 volts-Self Direct)	\$0.00/meter/month	<i>\$207.17</i> 220.67/meter/month
Outdoor Protective Lighting (100 watt)	\$0.00/meter/month	<i>\$0.23</i> 0.24/light/month
Outdoor Protective Lighting (250 watt)	\$0.00/meter/month	<i>\$0.38</i> 0.40/light/month
Street & Highway Lighting	\$0.00/meter/month	<i>\$0.19</i> 0.20/light/month
Special Power Contracts(Self Direct)	\$0.00/meter/month	<i>\$459.50</i> 452.33/meter/month

Issued , by
Gary D Graham, President
Alpena, MI 49707

Effective for services rendered on
and after January 1, 2018

Issued under authority of the
Michigan Public Service Commission

ALPENA POWER COMPANY
CASE NO. U-18260
WITNESS: GOODBURNE

EXHIBIT B-1, SCHEDULE 2

Proposed Tariff Sheet 2019

SURCHARGES
(continued from Sheet No. D-4.01)

<u>Rate Schedule</u>	<u>Renewable Energy Surcharge Effective July 2015 Bill Month</u>	<u>Energy <i>Waste Reduction</i> Surcharge Effective <i>January 2019</i> Bill Month</u>
Residential	\$0.00/meter/month	<i>\$0.00268</i> 0.00263 /kWh
General Service	\$0.00/meter/month	<i>\$2.78</i> 2.64 /meter/month
Standard Power	\$0.00/meter/month	<i>\$43.66</i> 42.34 /meter/month
Large Power (less than 13,200 volts)	\$0.00/meter/month	<i>\$335.73</i> 304.83 /meter/month
Large Power (13,200 volts or higher)	\$0.00/meter/month	<i>\$335.73</i> 304.83 /meter/month
Large Industrial (13,200 volts or lower)	\$0.00/meter/month	<i>\$1,281.17</i> 1,141.33 /meter/month
Large Industrial (higher than 13,200 volts)	\$0.00/meter/month	<i>\$894.00</i> 908.83 /meter/month
Large Industrial (>13,200 volts-Self Direct)	\$0.00/meter/month	<i>\$236.08</i> 207.17 /meter/month
Outdoor Protective Lighting (100 watt)	\$0.00/meter/month	<i>\$0.24</i> 0.23 /light/month
Outdoor Protective Lighting (250 watt)	\$0.00/meter/month	<i>\$0.40</i> 0.38 /light/month
Street & Highway Lighting	\$0.00/meter/month	<i>\$0.20</i> 0.19 /light/month
Special Power Contracts(Self Direct)	\$0.00/meter/month	<i>\$509.58</i> 459.50 /meter/month

Issued , by
Gary D Graham, President
Alpena, MI 49707

Effective for services rendered on
and after January 1, 2019

Issued under authority of the
Michigan Public Service Commission

ALPENA POWER COMPANY
CASE NO. U-18260
WITNESS: GOODBURNE

EXHIBIT C-1

PROVIDER NOTIFICATION OF INTENT TO ELECT ***EFFICIENCY UNITED***
TO OFFER ENERGY WASTE REDUCTION SERVICES FOR 2018/2019

**PROVIDER NOTIFICATION OF INTENT TO ELECT *EFFICIENCY UNITED*¹
TO OFFER ENERGY WASTE REDUCTION SERVICES FOR 2018/2019**
2008 PA 295 as Amended by 2016 PA 342
Implementation of Energy Waste Reduction Plans

DATE: 06/29/2017

PROVIDER NAME, address and contact information, including email address, for a provider representative:

Alpena Power Company
401 N 9th Ave
Alpena, MI 49707

☒ This is a renewal.

☐ This is a new election.

Election is for years (two year minimum):

☒ 2018 ☒ 2019 ☐ 2020 ☐ 2021

Electric Utility	Annual Payment to Efficiency United		Annual Incremental Energy Savings Target - MWh			
Program Year	Total Retail Sales Revenue 2016	Payment (Revenue x 2.0%)	Total Retail Volume 2014	Total Retail Volume 2015	Total Retail Volume 2016	Target (1.0% x 3-Year Average)
2018	\$33,034,067	\$508,683	350,739	343,345	350,941	3,483
Program Year	Total Retail Sales Revenue 2017	Payment (Revenue x 2.0%)	Total Retail Volume 2015	Total Retail Volume 2016	Total Retail Volume 2017	Target (1.0% x 3-Year Average)
2019	\$34,952,300	\$529,050	343,345	350,941	358,485	3,509

Gas Utility	Annual Payment to Efficiency United		Annual Incremental Energy Savings Target - Mcf			
Program Year	Total Retail Sales Revenue 2016	Payment (Revenue x 2.0%)	Total Retail Volume 2014	Total Retail Volume 2015	Total Retail Volume 2016	Target (0.75% x 3-Year Average)
2018		\$0				0
Program Year	Total Retail Sales Revenue 2017	Payment (Revenue x 2.0%)	Total Retail Volume 2015	Total Retail Volume 2016	Total Retail Volume 2017	Target (0.75% x 3-Year Average)
2019		\$0				0

- Total retail sales revenue and volumes should have basis in figures reported on MPSC Form P-521 or P-522, FERC Form No. 1/3-Q, Form EIA-861, or Form EIA-861(S), as applicable to the provider.
- Payment and target for 2019 may be estimated by substituting 2016 data for 2017 if forecasts are not available.
- Payment and target for future years will be recalculated annually as updated data becomes available.
- Payment and target may be adjusted based on self-direct customer participation and will be determined during the EWR plan review process.

¹ 2008 PA 295, as amended by 2016 PA 342, Sec. 91, allows providers the option of meeting energy waste reduction program compliance requirements by paying a percentage of total utility sales revenues, including electricity or natural gas commodity costs, each year to an independent energy waste reduction program administrator selected by the Michigan Public Service Commission (MPSC). The program run by the independent energy waste reduction program administrator is called *Efficiency United*. Providers must make a two-year commitment. An option to renew is provided.

Efficiency United will prepare a single EWR report annually for purposes required by section 97 (1) of PA 295, as amended, that may be used by all providers electing the alternative compliance payment option. Rate regulated providers that opt to use *Efficiency United* must also file a financial reconciliation with the MPSC annually.

Breakdown of 2016 Total Retail Sales			
	Residential Customers	Commercial Customers	Industrial Customers
Number	13,720	3,971	4
Volume MWh	87,893	107,051	155,997
Revenue Elec.	\$11,667,255	\$12,136,819	\$9,229,993
Number			
Volume Mcf			
Revenue Gas			

Self-direct Customers Retail Sales	
Number Customers Elected for 2018	2
Total Revenue 2016	\$7,999,929
Total MWh 2016	139,793



Signature of Provider Representative

6/30/17

Date

Signature of Efficiency United Representative

Date

Submit form to: Chere Coleman
ccoleman@mcaaa.org
 Efficiency United
 2173 Commons Parkway
 Okemos, MI 48864

Attach copy to: Current EWR Plan Filing
 Election is contingent upon MPSC approval.